



PRESS RELEASE

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HUSBAND AND WIFE INDICTED FOR GOLD COIN SCAM

PHOENIX -- Paul K. Charlton, U.S. Attorney for the District of Arizona, and Peter Zegarac, Assistant Postal Inspector in Charge, Phoenix Field Office, announced that on August 4, 2004, a federal grand jury in Phoenix returned a 25-count indictment against Gene Lee Miller, DOB 2/3/58, and Grace Marie Miller, DOB 3/28/51, both of Phoenix.

The indictment alleges that between March 2000 and March 2001 the defendants, operating as Southwest International Trading, Inc., committed mail fraud against eight victims located in various parts of the United States and engaged in money laundering with the proceeds of the offenses. The indictment further alleges that the defendants devised a scheme to defraud by soliciting from the victims' loans of their numismatic coins in return for interest bearing promissory notes. The coins were purportedly going to be used in the defendants' business and were to be returned at the end of the loan period. However, the indictment reports that the coins were sold without the owners' permission to other coin dealers for a total amount of \$429,217 and those proceeds were deposited into the defendants business checking account. The defendants

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are alleged to have used those proceeds for personal and business expenses. Subsequent to the loss of the coins, the defendants are alleged to have mailed "lulling letters" to the victims asking them to forego legal action while the defendants attempted to sell their assets for repayment, but the money from the sales of those assets were dissipated by the defendants for other personal expenses.

The defendants have been summoned for an arraignment before a United States Magistrate Judge on Wednesday, August 18, 2004.

The federal indictment charges defendants with violating Title 18 United States Code, § 1341, Mail Fraud, and Title 18 United States Code, § 1957(a), Money Laundering.

A conviction for mail fraud carries a maximum penalty of five years in prison, a \$250,000 fine or both. A conviction for money laundering carries a maximum penalty of ten years in prison, a \$250,000 fine or both.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by Inspectors from the United States Postal Inspection Service.

The prosecution is being handled by Richard I. Mesh, Assistant U.S. Attorney, District of Arizona.

CASE NUMBER: CR-04-811
RELEASE NUMBER: 2004-131

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